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UNIVERSITY OF ILLINOIS



**THE ANNUAL FINANCIAL REPORT
OF THE
UNIVERSITY OF ILLINOIS
AUXILIARY FACILITIES SYSTEM
REVENUE BONDS**

FOR THE YEAR ENDED JUNE 30, 1978

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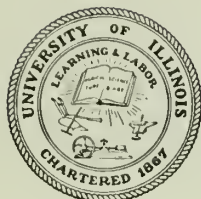
UNIVERSITY OF ILLINOIS
AT URBANA-CHAMPAIGN



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U N I V E R S I T Y O F I L L I N O I S



**THE ANNUAL FINANCIAL REPORT
OF THE
UNIVERSITY OF ILLINOIS
AUXILIARY FACILITIES SYSTEM
REVENUE BONDS**

FOR THE YEAR ENDED JUNE 30, 1978

BOARD OF TRUSTEES

James R. Thompson
Governor of Illinois

Term 1973-79

Ralph C. Hahn
Park Livingston
Jane Hayes Rader

Term 1975-81

Robert J. Lenz
Nina T. Shepherd
Arthur R. Velasquez

Term 1977-83

William D. Forsyth, Jr.
George W. Howard III
Earl L. Neal

OFFICERS OF THE BOARD

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President
Earl W. Porter
Secretary

R. W. Brady
Comptroller
R. R. Manchester
Treasurer

J. J. Costello
University Counsel

GENERAL UNIVERSITY OFFICERS FOR AUXILIARY SERVICES

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President

R. W. Brady
Vice President
for Administration

CAMPUS ADMINISTRATORS FOR AUXILIARY SERVICES

Urbana-Champaign Campus

William P. Gerberding
Chancellor
Harold G. Poindexter
Director of
Business Affairs
Sammy J. Rebecca
Director of Housing

Thomas P. Parkinson
Director of Assembly Hall
Robert K. Todd
Director of Illini Union
Hugh M. Satterlee
Dean of Students and
Vice Chancellor
for Campus Affairs

Laurence M. Hursh, M.D.
Director of Health Services

Medical Center Campus

Joseph S. Begando
Chancellor
Michael B. Provenzano
Director of
Business Affairs

Frank W. Houck
Campus Director of
Physical Plant
Clarence C. Leverenz
Director of Campus Services

Jack K. Sims
Director of Housing
William A. Overholt
Dean of Student Affairs

Chicago Circle Campus

Donald H. Riddle
Chancellor
L. Rea Jones
Director of
Business Affairs

Frank W. Houck
Campus Director of
Physical Plant
James J. Overlock
Director of University Services

Dale Brostrom
Director of Chicago
Circle Center
Oscar Miller
Dean of Student Affairs

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LETTER OF TRANSMITTAL

349 Administration Building
Urbana, Illinois 61801
University of Illinois

To the Holders of University of Illinois Auxiliary
Facility System Revenue Bonds:

Here within is the Annual Financial Report of The University of Illinois Auxiliary Facility System Revenue Bonds for the fiscal year ended June 30, 1978. This report supplements the schedules presented in the Annual Report of the Comptroller.

The first eleven pages contain the accountants' report prepared by Coopers & Lybrand, financial statements, and applicable notes. The remainder of this report was compiled by the University and consists of ancillary data and other statistics concerning operations.

Respectfully submitted,

R. W. Brady

Vice-President for Administration

COOPERS & LYBRAND
222 South Riverside Plaza
Chicago, Illinois 60606

ACCOUNTANTS' REPORT

To the Honorable Robert G. Cronson
Auditor General of the State of Illinois
and
The Board of Trustees of the University
of Illinois

We have examined the financial statements of the University of Illinois for the year ended June 30, 1978, and have issued our report thereon dated May 17, 1979. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. In the course of our examination, we have examined the balance sheet, statement of changes in fund balances and statement of current fund revenues, expenditures and other changes of the University of Illinois Auxiliary Facilities System Revenue Bonds, Series A through M.

In our opinion, the financial statements referred to above present fairly the financial position of the University of Illinois Auxiliary Facilities System Revenue Bonds, Series A through M at June 30, 1978 and the related current fund revenues, expenditures, and other changes and changes in the fund balances for the year then ended applied on a basis consistent with that of the preceding year after giving retroactive effect to the change, with which we concur, of the inclusion of net investment in plant funds as described in Note C and changes in the reporting entity as described in Note D.

In making our examination referred to above, we obtained no knowledge of any defaults by the University of Illinois in the fulfillment of any terms, covenants, provisions and conditions, insofar as they pertain to accounting matters, of the resolutions and supplements thereto of the Board of Trustees of the University of Illinois authorizing the bond issue relating to the University of Illinois Auxiliary Facilities System Revenue Bonds, Series A through M included in this report.

Coopers & Lybrand

Chicago, Illinois
May 17, 1979

UNIVERSITY OF ILLINOIS
AUXILIARY FACILITIES SYSTEM
BALANCE SHEET
JUNE 30, 1978

ASSETS

Current Funds:	
Cash	\$ 400,990
Petty Cash	125,622
Investments (Market value \$4,000,000)(Note A)	4,000,000
Receivables	426,763
Inventories (Note A)	3,689,124
Deferred Charges	<u>51,710</u>
Total Current Funds	<u>\$ 8,694,209</u>
Plant Funds:	
Cash	\$ 199,319
Investments (Market value \$8,462,852)(Note A)	8,700,386
Invested in Plant -	
Buildings	116,544,853
Improvements Other Than Buildings	4,821,086
Construction in Progress	1,269,392
Equipment	<u>7,335,877</u>
Total Plant Funds	<u>\$138,870,913</u>

The accompanying notes are an integral part of the financial statements.

UNIVERSITY OF ILLINOIS
AUXILIARY FACILITIES SYSTEM
BALANCE SHEET
JUNE 30, 1978

LIABILITIES AND FUND BALANCES

Current Funds:	
Accounts Payable and Accrued Expenses	\$ 1,577,232
Deferred Income	1,646,790
Fund Balance	<u>5,470,187</u>
Total Current Funds	<u>\$ 8,694,209</u>

Plant Funds:	
Accounts Payable	\$ 523,881
Bonds Payable (Note B)	63,939,000
Fund Balances -	
Renewals and Replacements	174,324
Retirement of Indebtedness (Note E) -	
Bond and Interest Sinking Fund	\$ 567,509
Invested Sinking Fund	1,286,822
Debt Service Reserve	<u>2,500,000</u>
Net Investment in Plant	<u>4,354,331</u>
Total Plant Funds	<u>\$138,870,913</u>

The accompanying notes are an integral part of the financial statements.

UNIVERSITY OF ILLINOIS
AUXILIARY FACILITIES SYSTEM
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1978

	CURRENT FUNDS	PLANT FUNDS			Net Investment in Plant
		Unexpended	Renewals and Replacements	Retirement of Indebtedness	
Revenues and Other Additions:					
Current Fund Revenue	\$42,757,983				
Gain on Advanced Refunded Bonds, Net of Discount and Issuance Expenses of \$1,235,675 (Note B)				\$ 7,887,608	
Investment Income		\$165,001		876,204	
Other Sources					\$ 69,821
Retirement of Indebtedness					23,124,361
Expended for Plant Facilities					636,429
Total Revenues and Other Additions	42,757,983	165,001		8,763,812	23,830,611
Expenditures and Other Deductions:					
Current Fund Expenditures	37,627,665				
Expended for Plant Facilities -					
Buildings		86,482	\$ 87,282		
Equipment		5,825	72,179		
Construction in Progress		78,519			
Expenditures not Capitalized		13,596	273,362		
Realized Losses on Investments				71,519	
Retirement of Indebtedness -					
Interest				3,205,270	
Principal				23,124,361	
Trade-ins and Disposals					291,428
Adjustment of Property Valuation					345,700
Total Expenditures and Other Deductions	37,627,665	184,422	432,823	26,401,150	637,128
Mandatory Transfers:					
From Student Tuitions and Hospital Revenues	1,373,500				
Retirement of Indebtedness	(4,886,837)			4,886,837	
Renewals and Replacements	(136,873)		136,873		
Total Mandatory Transfers	(3,650,210)		136,873	4,886,837	
Other Transfers			(4,389,608)	4,389,608	
Net Increase (Decrease) for the Year	1,480,108	(19,421)	(4,685,558)	(8,360,893)	23,193,483
Fund Balance at Beginning of Year (Note D)	3,990,079	19,421	4,859,882	12,715,224	46,685,894
Fund Balance at End of Year	\$ 5,470,187	\$ -0-	\$ 174,324	\$ 4,354,331	\$69,879,377

The accompanying notes are an integral part of the financial statements.

UNIVERSITY OF ILLINOIS
AUXILIARY FACILITIES SYSTEM
STATEMENT OF CURRENT FUND REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE YEAR ENDED JUNE 30, 1978

Revenue:	
Room and Board	\$16,990,528
Food Sales	5,275,465
Merchandise Sales	8,312,039
Events and Recreation	1,706,070
Parking	1,363,653
Investment Income	1,080,909
Other Sources	1,178,227
Student Service Fees	<u>6,851,092</u>
Total Revenue	<u>42,757,983</u>
Expenditures:	
Salaries and Wages	13,900,136
Food	4,770,358
Merchandise	6,455,190
Utilities	4,300,764
Repairs and Maintenance	4,365,181
Professional and Artistic Services	1,071,515
Other Costs	<u>2,764,521</u>
Total Expenditures	<u>37,627,665</u>
Mandatory Transfers:	
From Student Tuitions and Hospital Revenues	1,373,500
To Plant Funds Retirement of Indebtedness	(4,886,837)
To Plant Funds Renewals and Replacements	<u>(136,873)</u>
Total Mandatory Transfers	<u>(3,650,210)</u>
Net Increase in Fund Balance	1,480,108
Fund Balance, July 1, 1977	<u>3,990,079</u>
Fund Balance, June 30, 1978	<u>\$ 5,470,187</u>

The accompanying notes are an integral part of the financial statements.

UNIVERSITY OF ILLINOIS
AUXILIARY FACILITIES SYSTEM
NOTES TO FINANCIAL STATEMENTS

Note A - Summary of Significant Accounting Policies

Method of Accounting

The accounting records are maintained on the accrual basis, except for investment income which is recorded on a cash basis. The difference between the cash and accrual basis for investment income is not significant to the financial statements. In accordance with generally accepted accounting principles for universities, depreciation for buildings and equipment is not charged as an operating expense. Interauxiliary balances and transactions have been eliminated.

Marketable Securities

Securities are stated at cost which approximates market values.

Inventory

Inventories are stated at the lower of cost or market as follows:

Books and bookstore supplies - principally retail method
Central food stores - average cost
Other inventories - principally first-in, first-out method

NOTE B - Bonds Payable

On November 10, 1977, the University issued \$5,000,000 of bonds payable as a supplement to an existing bond agreement for construction of an additional parking structure at the Chicago Circle Campus. Subsequently, the Board of Trustees of the University issued the University of Illinois Auxiliary Facilities System Revenue Bonds, Series A through M, in the principal amount of \$63,939,000 on June 15, 1978. Of this total, certain bonds were used to refund, by exchange, outstanding revenue bonds of the same principal and rate of interest. A portion of the proceeds from the sale of the remaining bonds, net of issuance costs, together with existing bond reserves and redemption funds on hand and with funds of the related auxiliary enterprises were used to refund in advance of maturity outstanding revenue bonds. An irrevocable trust was established to provide all remaining principal and interest payments relating to the advance refunded bonds. The remaining proceeds from the sale of the bonds were used to retire capital lease obligations with the University of Illinois Foundation and to establish a bond redemption fund for the new bonds. By refunding the outstanding revenue bonds in advance of maturity, a gain of \$7,887,608 was realized. The net reduction in outstanding revenue bonds has been reflected as a retirement of indebtedness within the plant funds.

Registration fees and tuition as well as revenues of the related auxiliary enterprises are pledged to meet principal and interest debt service requirements on bonds outstanding at June 30, 1978. Transfers are made from the related auxiliary enterprises' current fund in amounts sufficient to provide for the current year's required debt service. The bonds are callable, mature at various dates through 2008 and bear interest at annual rates as follows:

Series A-L	\$20,074,000	2-3/4 - 3-5/8%
Series M Mandatorily Redeemable 2005	3,130,000	6-7/8%
Series M Maturing 2006	5,705,000	6-7/8%
Series M Mandatorily Redeemable 2007	28,785,000	6-3/4%
Series M Maturing 2008	<u>6,245,000</u>	6-3/4%
	<u>\$63,939,000</u>	

The principal amounts due for the next five years range from \$495,000 to \$570,000.

On October 18, 1978, the Board of Trustees of the University issued Series N of the University of Illinois Auxiliary Facilities System Revenue Bonds in the principal amount of \$35,500,000. The bonds are callable after September 30, 1988, bear interest at annual rates varying from 5-6/10% to 7-1/10% and mature at various dates from 1987 to 2005.

UNIVERSITY OF ILLINOIS
AUXILIARY FACILITIES SYSTEM
NOTES TO FINANCIAL STATEMENTS (Cont'd)

NOTE C - Inclusion of Net Investment in Plant

Beginning in 1978, the financial statements of the Auxiliary Facilities System include the investment in buildings, improvement other than buildings, construction in progress and equipment, the revenue bonds payable and the changes in investment in plant funds. Formerly, this information was excluded from the financial statements which did not purport to present the financial position and changes in fund balances for the housing division and other auxiliary service units in accordance with generally accepted accounting principles.

NOTE D - Change in Reporting Entity

Upon issuance of the Auxiliary Facilities System Revenue Bonds, the provisions of the new bond indenture have become applicable to the housing division and other auxiliary service units previously subject to various, separate revenue bond indentures as well as to the Intramural Physical Education facility and Memorial Stadium which were subject to bond agreements of the University of Illinois Foundation. Under the terms of the new bond indenture, the financial position and changes in fund balances of the various units are presented on a consolidated basis rather than individually as required by the former bond indentures.

NOTE E - Sinking Fund Requirements

At June 30, 1978, the amount included in the balance of Plant Funds Retirement of Indebtedness as required by the Bond Resolution is \$4,354,331.

SCHEDULE OF INSURANCE IN FORCE

AS OF JUNE 30, 1978

Property	Insurance Valuation			
	Buildings	Contents	Business Interruption	Total
Fourth Street Residence Halls	\$ 8,710,390	\$ 423,000	\$ 235,700	\$ 9,369,090
Gregory Drive Residence Halls	20,859,111	620,000	2,646,147	24,125,258
Peabody Drive Residence Halls	19,438,276	614,000	2,622,675	22,674,951
Post Office & Snack Bar	1,476,496	75,000	563,403	2,114,899
Taft & Van Doren Residence Halls	4,344,754	101,000	370,529	4,816,283
Stuart Pratt Sherman Hall	9,277,745	160,000	657,429	10,095,174
Central Food Stores	4,114,711	740,500	1,528,236	6,383,447
Busey-Evans Residence Halls	6,463,284	185,000	551,601	7,199,885
Illinois Street Residence Hall	17,226,358	615,000	2,441,669	20,283,027
Lincoln Avenue Residence Hall	15,285,424	445,000	941,784	16,672,208
Allen Hall	9,325,091	259,000	1,156,166	10,740,257
Pennsylvania Residence Halls	15,516,363	535,000	1,631,901	17,683,264
Graduate Student Residence #1	5,052,802	101,000	345,147	5,498,949
Graduate Student Residence #2	3,303,100	55,000	225,813	3,583,913
Goodwin-Green Street Apartments	12,680,479	136,000	368,327	13,184,806
Orchard Place Apartments	3,473,026	110,000	278,831	3,861,857
Orchard Downs Maintenance Shop	507,029	51,000		558,029
Orchard Downs Apartments	9,242,729	220,000	613,904	10,076,633
Orchard Downs Addition	5,055,455	137,000	399,416	5,591,871
Student Services Building	3,976,253	45,000	170,000	4,191,253
Assembly Hall	22,638,903	235,000	1,070,000	23,943,903
McKinley Hospital & Health Service	8,410,133	556,700		8,966,833
Illini Union Building	32,225,457	1,550,000	2,000,000	35,775,457
Illini Union Bookstore		1,100,000	250,000	1,350,000
Florida Avenue Residence Hall	19,211,559	615,000	2,235,518	22,062,077
Memorial Stadium	29,125,329			29,125,329
Orchard Apartments-Phase IV	4,861,014	60,000	503,960	5,424,974
Chicago Circle Center	27,525,391	6,000,000	3,000,000	36,525,391
Parking Structure - Chicago Circle	4,365,077		200,000	4,565,077
Dentistry, Medicine and Pharmacy Building	12,000,000	1,472,000		13,472,000
Staff Apartment Building - Chicago	6,957,816	149,700	293,200	7,400,716
Residence Hall for Men - Chicago	10,540,050	396,600	346,900	11,283,550
Women's Residence Hall - Chicago	2,288,677	95,000	202,600	2,586,277
Medical Center Union Building	7,287,377	429,000	1,380,600	9,096,977
Parking Structure - Medical Center	4,500,000	10,000	255,000	4,765,000
Intramural Physical Education Building	18,587,364	200,000	1,500,000	20,287,364
Total(1)	\$385,853,023	\$18,496,500	\$30,986,456	\$435,335,979
Total amount of insurance (90%)(2)				<u>\$391,802,381</u>

(1) The buildings are valued at replacement costs, which are predicated on the Engineering News Record Index (ENR) as of the replacement value at January 1, 1978. The contents are valued at acquisition cost, and have not been adjusted for replacement value.

(2) The insurance policy was issued by Royal Globe Insurance Company (a stock company) for the policy period 6/30/78 through 6/30/81.

RENTAL RATES
RESIDENCE HALLS AND STUDENT-STAFF APARTMENTS

1977-78
Rates

Urbana-Champaign Campus:

Residence Halls - Undergraduates
(room and board for the academic year)
Singles
Doubles
Triples
Rates are \$64 more for comparable space
in air-conditioned halls, and are \$60
more for optional weekly maid service
in 1977-78

\$1,684
1,492
1,404

Residence Halls - Graduates
(room only for the academic year)

Singles
Daniels Hall
Sherman Hall
Doubles
Daniels Hall
Sherman Hall

760
872
678
832

Student-Staff Apartments (monthly rates)

Sleeping Room
Zero Bedroom
One Bedroom
Two Bedrooms

Student Rate
92
110
134
146

Staff Rate
110
131
159
171

Orchard Place, Orchard Downs and Orchard
Downs Addition Apartments (monthly rates)

One Bedroom
Two Bedrooms

134
146

Orchard Apartments Phase IV (monthly rates)
Two Bedrooms (unfurnished)

116

Medical Center Campus:

Residence Halls
(room only for the academic year)

Singles
Student Residence Hall
Women's Residence Hall
Doubles
Student Residence Hall
Women's Residence Hall

950
951
808
853

Staff Apartment Building (monthly rates)

Zero Bedroom
One Bedroom
One Bedroom with alcove
Two Bedrooms

170
214
223
280

OCCUPANCY REPORT
FOR THE FISCAL YEAR 1977-1978

	<u>Normal Capacity</u>	<u>Average Occupancy</u>
Urbana-Champaign Campus:		
Residence Halls		
Lincoln Avenue Residence	536 100%	508 94.79%
Fourth Street Halls and Busey-Evans Halls	740 100%	594 80.25%
Taft and Van Doren Halls	422 100%	415 98.40%
Allen Residence Hall	624 100%	606 97.12%
Gregory Drive Residence Halls	1,467 100%	1,443 98.36%
Daniels Hall Unit #1	307 100%	297 95.75%
Peabody Drive Residence Halls	1,474 100%	1,465 99.41%
Daniels Hall Unit #2	214 100%	206 96.04%
Pennsylvania Avenue Residence Halls	1,052 100%	1,015 96.49%
Illinois Street Residence Halls	1,209 100%	1,194 98.79%
Sherman Hall	465 100%	462 99.34%
Florida Avenue Residence Halls	1,342 <u>100%</u>	1,312 <u>97.74%</u>
Total Residence Halls	9,852 <u>100%</u>	9,517 <u>96.60%</u>

OCCUPANCY REPORT (Cont'd)
FOR THE FISCAL YEAR 1977-1978

	<u>Normal Capacity</u>	<u>Average Occupancy</u>
Urbana-Champaign Campus:		
Student-Staff Apartments		
Goodwin-Green Street Apartments	201 100%	191 95.21%
Orchard Place Apartments	116 100%	106 91.04%
Orchard Downs Apartments	248 100%	240 96.97%
Orchard Downs Addition Apartments	160 100%	155 97.16%
Orchard Apartments - Phase IV	252 100%	240 95.10%
Total Apartments	977 100%	932 95.39%
 Medical Center Campus:		
Residence Halls		
Student Residence Hall	412 100%	409 99.2%
Women's Residence Hall	180 100%	184 102.2%
Total Residence Halls	592 100%	593 100.16%
 Staff Apartments		
Staff Apartment Building	145 100%	144 99.8%

ENROLLMENT DATA(1)

	<u>Undergraduate</u>			<u>Graduate and Professional</u>			
	<u>Chicago Circle</u>	<u>Medical Center</u>	<u>Urbana-Champaign</u>	<u>Chicago Circle</u>	<u>Medical Center</u>	<u>Urbana-Champaign</u>	<u>Total Enrollment</u>
<u>HEADCOUNT</u>							
Fall -							
1973	17,567	1,582	25,780	1,542	2,479	8,871	57,821
1974	17,485	1,654	25,848	1,908	2,657	9,197	58,749
1975	18,535	1,717	25,788	2,158	2,820	9,329	60,347
1976	18,061	1,691	24,769	2,191	2,847	8,783	58,342
1977	17,998	1,669	25,347	2,665	2,945	8,599	59,223
<u>FULL-TIME EQUIVALENT(2)</u>							
1973	16,804	1,522	25,399	1,272	2,378	7,444	54,819
1974	16,606	1,575	25,465	1,473	2,530	7,677	55,326
1975	17,516	1,685	25,360	1,539	2,665	8,147	56,912
1976	17,045	1,741	25,702	1,799	2,886	9,133	58,306
1977	16,664	1,614	26,127	2,076	2,908	8,872	58,261

(1) Source of Data - The University Office of School and College Relations

(2) Based on Illinois Board of Higher Education definition of full-time equivalency. Undergraduate student full-time equivalent is computed as the total number of Fall term full-time semester and quarter credit hours divided by 15. Graduate and Professional student full-time equivalent is computed as the total number of Fall term full-time semester and quarter credit hours divided by 12. For Medicine and Dentistry students, and interns in residency, 1 student equals 1 full-time equivalent.

STATUS OF THE INVESTED SINKING FUND ACCOUNT(1)

	Balance at Beginning of Fiscal Year	Present Value Added During Fiscal Year(2)	Discount Added During Fiscal Year(3)	Balance at Fiscal Year Ended June 30(4)	Interest Earned to Bond Escrow Fund	Interest Earned to Invested Sinking Fund
1978	-0-	-0-	-0-	1,011,822	-0-	
1979	1,011,822	284,549	36,357	1,332,728	1,285,575	
1980	1,332,728	304,821	36,357	1,673,906	1,285,575	
1981	1,673,906	326,536	36,357	2,036,799	1,285,575	
1982	2,036,799	349,798	36,357	2,422,954	1,285,575	
1983	2,422,954	374,717	36,357	2,834,028	1,285,575	
1984	2,834,028	401,411	36,357	3,271,796	1,285,575	
1985	3,271,796	430,007	36,357	3,738,160	1,285,575	
1986	3,738,160	460,641	36,357	4,235,158	1,285,575	
1987	4,235,158	493,457	36,357	4,764,972	1,285,575	
1988	4,764,972	528,609	36,357	5,329,938	1,285,575	
1989	5,329,938	566,267	36,357	5,932,562	1,285,575	
1990	5,932,562	606,607	36,357	6,575,526	1,285,575	
1991	6,575,526	649,822	36,357	7,261,705	1,285,575	
1992	7,261,705	696,114	36,357	7,994,176	1,285,575	
1993	7,994,176	745,704	36,357	8,776,237	1,285,575	
1994	8,776,237	798,828	36,357	9,611,422	1,285,575	
1995	9,611,422	855,735	36,357	10,503,514	1,285,575	
1996	10,503,514	916,697	36,357	11,456,568	1,285,575	
1997	11,456,568	982,000	36,357	12,474,925	1,285,575	
1998	12,474,925	1,051,958	36,357	13,563,240	1,285,575	
1999	13,563,240	1,126,898	36,357	14,726,495	1,285,575	
2000	14,726,495	1,207,176	36,357	15,970,028	1,285,575	
2001	15,970,028	635,465	36,357	16,641,850	642,788	642,787
2002	16,641,850	-0-	36,357	16,678,207		1,285,575
2003	16,678,207	-0-	36,357	16,714,564		1,285,575
2004	16,714,564	-0-	36,357	16,750,921		1,285,575
2005	16,750,921	-0-	36,357	16,787,278		1,285,575
2006	16,787,278	-0-	36,357	16,823,635		1,285,575
2007	16,823,635	-0-	36,365	16,860,000		1,285,575
Total		<u>14,793,817</u>	<u>1,054,361</u>		<u>28,925,438</u>	<u>8,356,237</u>

See accompanying footnotes on Page 18.

NOTES TO STATUS OF THE INVESTED SINKING FUND ACCOUNT

- (1) The Invested Sinking Fund account consists of \$16,860,000 of United States Government securities at face value; the purchase price was \$15,805,639, with a discount of \$1,054,361. The interest coupons for the period August 15, 1978, through August 15, 2000 (45 coupons), have been entrusted to the Bond Escrow Fund agent for redemption of interest income of the Invested Sinking Fund to be deposited in the Bond Escrow Fund through August 15, 2000.
- (2) Since, from an accounting and report presentation concept, there has been a "defesance provision", the value of each of the 45 coupons at \$642,787.50 has been computed to the present value at each of the future dates of interest payments to June 15, 1978. The aggregate of the 45 present values at an annual interest rate of 7.001337% is \$14,793,817, now known as the Valuation Reserve. Since the face amount of these bonds are pledged to the Series M bondholders and the first 22 1/2 years of interest are pledged to the Bond Escrow Fund, the purchase price of these bonds was reduced from \$15,805,639 by the \$14,793,817 Valuation Reserve to \$1,011,822 as of June, 1978. Each year the Invested Sinking Fund account will be credited with the applicable year's "recovered" present value until the fiscal year 2001 when the entire amount has been recovered after the Bond Escrow Fund has retired the outstanding advance refunded bonds.
- (3) The bond discount of \$1,054,361 is amortized at the rate of \$36,357 for 28 years and \$36,365 the 29th year to reflect the valuation of the discount accruing to the purchase price to equal the face amount in the year 2007.
- (4) The beginning balance, plus the present value amount recovered for that year, plus the amortized discount equals the status of this section of the Invested Sinking Fund account.

SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR 1978

	Bonds Outstanding July 1, 1977	New Bonds Issued	Bonds Retired Thru Sinking Fund	Defeased		Defeasance Provision		Bonds Outstanding June 30, 1978
				Old Bonds Retired Thru Exchange	New Bonds Issued Series (A-L)	Outstanding Advance Refunded Bonds	New Bonds Issued Series M	
College of Dentistry, Medicine and Pharmacy Revenue Bonds of 1951	\$ 875,000	\$	\$ 200,000	\$	\$	\$ 675,000	\$	\$
Residence Halls Revenue Bonds, Series of 1952	160,000		60,000			100,000		
Dormitory Revenue Bonds of 1956, Series B	577,000		40,000	537,000				
Women's Residence Halls Revenue Bonds of 1956, Series B	1,358,000		75,000	1,283,000				
Men's Residence Halls Revenue Bonds of 1957, Series A	2,670,000		85,000			2,585,000		
Men's Residence Halls Revenue Bonds of 1957, Series B	1,942,000		75,000	1,867,000				
Housing Revenue Bonds of 1958, Series A	1,090,000		45,000			1,045,000		
Housing Revenue Bonds of 1958, Series B	1,042,000		45,000	997,000				
Housing Revenue Bonds of 1959, Series B	1,154,000		40,000	1,114,000				
Housing Revenue Bonds of 1959, Series C	2,690,000		70,000			2,620,000		
Housing Revenue Bonds of 1959, Series D	2,587,000		70,000	2,517,000				
Assembly Hall Revenue Bonds, Series of 1959 and Series of 1962	3,798,000		568,000			3,230,000		
Housing Revenue Bonds of 1960, Series A	4,060,000		100,000			3,960,000		
Housing Revenue Bonds of 1960, Series B	4,294,000		60,000	2,754,000		1,480,000		
Housing Revenue Bonds of 1960, Series C	60,000		60,000					
Illini Union and Health Center Bonds of 1960, Series A	3,280,000		180,000			3,100,000		

SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR 1978

	Bonds Outstanding July 1, 1977	New Bonds Issued	Bonds Retired Thru Sinking Fund	Defeased		Defeasance Provision		Bonds Outstanding June 30, 1978
				Old Bonds Retired Thru Exchange	New Bonds Issued Series (A-L)	Outstanding Advance Refunded Bonds	New Bonds Issued Series M	
Illini Union and Health Center Bonds of 1960, Series B	\$ 1,794,000	\$	\$ 100,000	\$ 1,694,000	\$	\$		\$
Student Services Building Bonds of 1961	970,000		45,000			925,000		
Housing Revenue Bonds of 1962, Series A	1,680,000		50,000			1,630,000		
Housing Revenue Bonds of 1962, Series B	2,000,000		50,000			1,950,000		
Housing Revenue Bonds of 1962, Series C	3,611,000		70,000	3,101,000		440,000		
Congress Circle Union Bonds of 1963, Series A	5,570,000		250,000			5,320,000		
Congress Circle Union Bonds of 1963, Series B	3,360,000		140,000	1,220,000		2,000,000		
Housing Revenue Bonds of 1964, Series A	1,130,000		30,000			1,100,000		
Housing Revenue Bonds of 1964, Series B	2,210,000		50,000	1,180,000		980,000		
Medical Center Bonds of 1964	3,075,000		65,000			3,010,000		
Housing Revenue Bonds of 1965, Series A	8,140,000		180,000			7,960,000		
Housing Revenue Bonds of 1966, Series A	400,000		20,000			380,000		
Housing Revenue Bonds of 1966, Series B	1,845,000		35,000	1,810,000				
Chicago Circle Union Bonds of 1970 (Parking)	2,700,000		30,000			2,670,000		
Medical Center Parking Revenue Bonds, Series of 1976	4,500,000					4,500,000		
Chicago Circle Union Revenue Bonds, Series of 1977		5,000,000				5,000,000		

SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR 1978

Bonds Outstanding July 1, 1977	New Bonds Issued	Bonds Retired Thru Sinking Fund	Defeased		Defeasance Provision		Bonds Outstanding June 30, 1978
			Old Bonds Retired Thru Exchange	New Bonds Issued Series (A-L)	Outstanding Advance Refunded Bonds	New Bonds Issued Series M	

Auxiliary Facilities System
Revenue Bonds:

Series A	\$	\$	\$	\$	\$ 537,000	\$	\$	\$ 537,000
Series B					1,283,000			1,283,000
Series C					1,867,000			1,867,000
Series D					997,000			997,000
Series E					1,114,000			1,114,000
Series F					2,517,000			2,517,000
Series G					2,754,000			2,754,000
Series H					1,694,000			1,694,000
Series I					3,101,000			3,101,000
Series J					1,220,000			1,220,000
Series K					1,180,000			1,180,000
Series L					1,810,000			1,810,000
Series M						43,865,000		43,865,000
Grand Total	74,622,000	5,000,000	2,888,000	20,074,000	20,074,000	56,660,000	43,865,000	63,939,000

RECONCILIATION OF THE TRANSFER OF THE JUNE 30, 1977
FUND BALANCES OF THE BOND REVENUE FUND INTO THE
UNIVERSITY OF ILLINOIS AUXILIARY FACILITY SYSTEM REVENUE BONDS

	<u>Current Fund</u>	<u>Sinking Fund</u>	<u>Renewals and Replacements</u>
Residence Hall Revenue Bonds, Series 1952	\$ 48,244	\$ 128,267	
Dormitory Revenue Bonds of 1956	18,786	160,413	\$ 115,000
Women's Residence Halls Revenue Bonds of 1956	74,695	367,894	115,000
Men's Residence Halls Revenue Bonds of 1957	175,528	765,461	350,000
Housing Revenue Bonds, all series	1,144,250	6,332,471	1,950,000
College of Dentistry, Medicine and Pharmacy Revenue Bonds of 1951	170,110	252,789	-0-
Medical Center Bonds of 1964	42,233	221,116	-0-
Illini Union and Health Center Bonds of 1960	520,055	1,162,356	-0-
Congress Circle Union Bonds, Series A and B of 1963 and 1970	1,040,015	1,830,978	416,754
Assembly Hall Revenue Bonds of 1959 and 1962	141,996	1,085,314	1,250,000
Student Services Building Bonds of 1961	<u>10,115</u>	<u>314,221</u>	<u>100,000</u>
Total Bond Revenue Fund	3,386,027	12,621,280	4,296,754
Parking - Medical Center	604,052	93,944	
Intramural Physical Education Building	-0-	-0-	563,128
Memorial Stadium	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Fund Balance, July 1, 1977	<u>3,990,079</u>	<u>12,715,224</u>	<u>4,859,882</u>

UNIVERSITY OF ILLINOIS-URBANA



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